**Revision Test: The Global Economy**

**Marking Guidelines**

**Multiple Choice Answers**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| C | D | B | D | B | A | C | D | C | D |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| D | A | B | B | D | A |  | D | C | B |

1. (10 marks)
   1. Explain the purpose of the Human Development Index

|  |  |
| --- | --- |
| Comment | Mark |
| Accurate purpose ie to compare standard of living between countries  using a range of criteria | 2 |
| Approximate answer | 1 |

* 1. Assess the impact on the global economy of an international organisation

|  |  |
| --- | --- |
| Comment | Mark |
| Name and accurately describe its impact | 2 |
| Approximate answer | 1 |

* 1. Identify TWO impacts of globalisation on an economy other than Australia

2

|  |  |
| --- | --- |
| Comment | Mark |
| Accurate identification of impacts eg increase in trade, pollution,  higher standard of living applied to that country | 2 |
| Approximate answer | 1 |

* 1. Discuss the effectiveness of ONE government policy in the development of an economy other than Australia

4

|  |  |
| --- | --- |
| Comment | Mark |
| Effective discussion of government policy including statistics eg interest rates, labour reform, taxation policy | 3-4 |
| Vague policy description, with limited dicussion | 1-2 |

**Question 22** (10 marks)

The diagram shows the world market for a commodity after the introduction of a

subsidy by a country which is a major world producer.



(a) Explain why the supply curve shifts from *S*1 to *S*2 after the subsidy has been

introduced. (2 marks)

|  |  |
| --- | --- |
| Comment | Mark |
| Accurate explanation covering lowering of costs due to subsidy | 2 |
| Limited response | 1 |

(b) With reference to the diagram, analyse the impact of the subsidy on producers

in countries where the subsidy has not been introduced. (4 marks)

|  |  |
| --- | --- |
| Comment | Mark |
| Uses the graph to analyse the effects such as reduction in revenue, reduction in profit, reduced employment, possible loss of business | 3-4 |
| Limited analysis and/or use of diagram | 1-2 |

(c) Explain TWO benefits associated with a reduction in global protectionist policies. (4 marks)

|  |  |
| --- | --- |
| Comment | Mark |
| Explains in depth two benefits eg increased range of goods, lower  prices, higher standard of living | 3-4 |
| Limited explanation | 1-2 |